

United Nations

Economic and Social Commission for Asia and the Pacific

Committee on Macroeconomic Policy, Poverty Reduction and Financing for Development – Third Session

India

Country Statement

Agenda 3: Vitalizing innovative and digital financing strategies in support of the Sustainable Development Goals

Mr. Chair and distinguished delegates,

Consistent with the aspirational vision for the financial sector in India, Government of India's development priorities and the need to support the well-being of the people, Government has taken several measures in the past few years to augment financing for sustainable development, such as, introducing National Voluntary Guidelines for Responsible Financing, which are financial sector-specific guidelines that combine and adapt international and national best practices; including lending to social infrastructure and small renewable energy projects within the priority sector targets by the Reserve Bank of India; doubling the loan limits for renewable energy and releasing the National Guidelines on Responsible Business Conduct (NGRBC) 2019.

Moreover, the Securities and Exchange Board of India (SEBI) was one of the early adopters of sustainability reporting for listed entities and had mandatory Environment, Social and Governance (ESG) related disclosures, as per the Business Responsibility Report (BRR), for the top 100 listed entities (by market capitalisation) since 2012. The above requirement of filing BRR was progressively extended to the top 500 entities (in the financial year 2015-16) and later to the top 1000 listed entities (from the financial year 2019-20). In order to bring in greater transparency through disclosure of material ESG-related information to enable market participants to identify and assess sustainability-related risks and opportunities, SEBI recently in May 2021 issued new sustainability reporting requirements called the Business Responsibility and Sustainability Report (BRSR). This shall replace the existing BRR. The BRSR shall be applicable to the top 1000 listed entities (by market capitalisation) on a mandatory basis from FY 2022-23; however, entities can choose to adopt it on a voluntary basis from FY 2021-22. The BRSR lays considerable emphasis on quantifiable metrics not only on climate related aspects but on social factors too, which allow for easy measurement and comparability. The BRSR is aimed at increasing transparency and ensuring that investors have access to standardized disclosures on ESG parameters.

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The key disclosures sought in the BRSR are overview of the entity's material ESG risks and opportunities, approach to mitigate or adapt to the risks along-with financial implications of the same; sustainability related goals & targets and performance against the same; Environment related disclosures covering aspects such as resource usage (energy and water), air pollutant emissions, green-house (GHG) emissions, transitioning to circular economy, waste generated and waste management practices, bio-diversity etc; social related disclosures covering the workforce, value chain, communities and consumers.

Mr. Chair,

JAM (Jan Dhan - Aadhaar - Mobile) Trinity has been a game changer for India, enabling us to take forward financial inclusion in a futuristic format by ensuring access to banking facilities to the financially-excluded, and by linking bank accounts to biometric identification and to mobile numbers. As of mid-September 2021, India has a staggering 432 million beneficiary accounts under Prime Minister's Jan Dhan Yojana, of which more than 65% Jan Dhan accounts are in rural and semi-urban areas. Government of India has in recent years also introduced a series of indigenous platforms to facilitate quick, safe, and equitable banking. For instance, the Bharat Interface for Money (BHIM) UPI application is now a quintessential component of the Indian market. It has also recently launched e-RUPI voucher facility reducing the need of internet for financial transactions. Moreover, nearly 72% of financial transactions of Public Sector Banks are now done through digital channels, with doubling of customers active on digital channels from 34 million in FY2019-20 to 76 million in FY2020-21, and the share of financial transactions undertaken through home and mobile channels has increased from 29% in FY2018-19 to 76% in FY2020-21.

India's FinTech industry came to the rescue of people at the time of pandemic, by enabling them to carry out critical activities from the safety of their homes, particularly during the lockdown & the 2nd wave of Covid. The Unified Payments Interface (UPI), which was launched in 2016 to allow payments round the clock 365 days a year, has been very successful. As of May 2021, India's Unified Payments Interface (UPI) has seen participation of 224 banks & recorded 2.6 billion transactions worth over USD 68 billion. With such manifold increase in digital transactions in recent times, India has emerged as a leader in digital payments.

Thank you.